

Worksession

Agenda Item #	4
Meeting Date	March 1, 2004
Prepared By	Alfred D. Lott
Approved By	Richard M. Finn, City Mgr.

Discussion Item	Street Improvements—Presentation of the Street Study
Background	<p>The City Council conducted four meetings and a Public Hearing between September 9, 2002 and January 13, 2003 to discuss the condition of the City's roadways and funding for street repairs.</p> <ol style="list-style-type: none"> 1. At the January 13, 2003 meeting, the City Council directed the Public Works Department to conduct a scientific survey of the City's roadways to provide the following information: <ol style="list-style-type: none"> a. A condition assessment of each roadway by professional engineers. The assessment would include the findings from subsurface as well as surface inspection of the roadways. b. Establish a priority list for repair based of the results of the scientific study. c. A professional estimate of the costs of repair by street and an estimate of the total cost. 2. After conducting a bid process, EBA Engineering, Inc. was awarded a contract to conduct the study for the City for \$66,072. The final product includes: <ol style="list-style-type: none"> a. An Executive Summary and Introduction b. A Pavement Condition Survey c. A Pavement Condition Index d. Field Observations e. Recommendations: By Rehabilitation Option and By Rating and a description of Rehabilitation Methods. f. Traffic Count Data g. Results of subsurface Coring 3. According to the Street Study concluded by EBA Engineering, the estimated cost for addressing the City's streets that require rehabilitation is \$4,096,000. This cost includes road surface repair, with a 20% contingency for curb, gutter and driveway apron restoration. Costs for sidewalk replacement is not included.
Policy	N/A
Fiscal Impact	The City allocates \$500,000 per fiscal year to the Capital Budget for street rehabilitation. The Capital funds for FY 04 have been expended. However, the City has received \$700,000 from the State of Maryland that is has scheduled for street rehabilitation. The State funds must be committed by June 30, 2004.

Attachments	The Street Study by EBA is attached and has been posted to the Web.
Recommendation	<p>1. The City should rehabilitate its streets following the recommendations of the Street Study.</p> <p>2. Recommend that the City Council approve a funding program that will enable all the streets in need of rehabilitation to be addressed within the next two and one half paving seasons. As noted above, the City has \$700,000 from the State grant and it is anticipated that an additional \$500,000 will be added in the upcoming 2005 fiscal budget. This will provide the City with \$1,200,000 to be used for street repairs and resurfacing. If we subtract this amount from the total needed to bring all City streets up to acceptable standards (\$4,096,000) the City would need an additional \$2,896,000. Based on current interest rates (2.6%) the City could borrow the \$2,900,000 from a local bank for a seven year period of time and have annual payments of \$453,576. This borrowing would be considered a short term loan and would not require formal bonding. The annual payments would be made from the City's Street Reconstruction fund which has been targeted by City Council to be \$500,000 per year. Under this approach the City could proceed to implement the entire street rehabilitation program over a two year period (2005-06).</p> <p>However, another approach the Council could consider would be to have all of the City streets in the total reconstruction category (\$1,659,352) and the mill and overlay and base repair category (\$1,545,608) improved as one project. Again, subtracting the City's available fiscal resources (\$1,200,000) the amount the City would borrow would be (\$2,004,999). At an interest rate of 2.15% for five years this would cost the City \$423,298 per year for the five year period. At an interest rate of 2.60% for a seven year period of time this would cost the City \$313,593 per year. This approach would bring all of the City's problem streets up to an excellent level and the remaining streets (fair) could wait until additional funds could be secured by the City or until the short term loan was paid back. A copy of the amortization tables are attached.</p> <p>The City has precedent in borrowing funds to resurface some of its streets. Four Years ago the City received a grant and a \$500,000 loan to resurface the streets in Pinecrest. The City is repaying the County \$50,000 per year with a zero interest and will continue to do so for the next several years.</p>
Special Consideration	